

Engendering Macroeconomic Policies



The care of human beings — caring labour — is essential and central to the economic analysis, says Nilufer Cagatay. (IDRC Photo: Y. Beaulieu)

2005-03-07

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Gross National Product (GNP), investment, savings, balance of payments — these are the categories of analysis for macroeconomists. But is macroeconomic analysis gender-neutral?

Economists have conventionally viewed markets simply as places where individuals meet to engage in economic transactions, guided by the pursuit of private gain. But conventional thinking is being challenged. Many researchers have said that the idea macroeconomic analysis is gender-neutral is an illusion — and unless this vision is corrected, everyone stands to lose. In fact, the Beijing Platform for Action adopted unanimously by 189 countries at the United Nations Fourth World Conference on Women in 1995 states, “Macroeconomic policies need rethinking and reformulation... the application of gender analysis to a wide range of policies and programmes is [therefore] critical to poverty reduction strategies.”

However, there are relatively few economists with the expertise and training to help develop macroeconomic policies that are equitable for women and men. Nilufer Cagatay is part of a research project to change this. An associate professor of economics at the University of Utah, Cagatay is helping to train senior economists, primarily from Southern universities, research institutions, and international organizations, in feminist approaches to macroeconomics and international economics.

Together with Diane Elson, Rania Antonopoulos, and Maria Floro, Cagatay coordinates instruction for the [International Working Group on Gender, Macroeconomics and International Economics \(GEM-IWG\)](#), which is supported by the International Development Research Centre (IDRC). This international network of economists was formed in 1994 for the purpose of promoting research,

teaching, policymaking, and advocacy on gender-equitable approaches to macroeconomics, international economics, and globalization. *Reports* spoke to Cagatay about why it is important to bring a gender perspective to macroeconomic analysis.

Why has it been difficult for some macroeconomists to acknowledge that the omission of gender in their analysis is a problem?

Because most economists are trained to think that macroeconomics is about aggregates — for example, the level of employment or exchange rates. What we are trying to demonstrate is that behind those aggregates are the behaviours of different groups of people. In macroeconomics, there is an idealized notion of a “rational economic human being” — a “rational economic man,” actually. In this conceptualization, an individual is a selfish person whose purpose is to maximize utility derived from consuming goods. This notion of human behaviour is generalized to everyone. And heterodox economists in general — not only feminists and not only those working in macroeconomics — have been very, very critical of this, arguing that this conceptualization describes neither women’s nor men’s behaviour.

What are some of the other differences between mainstream economists and feminist economists?

Feminists argue that economic behaviour is also socially shaped. There is the notion of motherhood that women have been taught in many, many cultures that would put more stress and emphasis on being altruistic — cognizant of the needs of children or other people that women tend to give care to.

Also feminists point out that the economy consists not only of the monetized sphere, but also of unpaid work. Women do proportionally more of this kind of work than men in most cultures and countries. The monetized economy and the non-monetized economy are both part of the same system. In fact, you couldn’t have the monetized sphere without the sort of activity where you’re reproducing people, as it were. We also call that the reproductive sphere. And we emphasize that the care of human beings — caring labour — is essential and central to the economic analysis. So macroeconomic analysis, from a gender perspective, redefines the sphere of analysis to include unpaid labour activities, including caring labour.

Gender is also a social stratifier just like race, class, ethnicity, and so on. For example, gender determines who does what kind of work, who owns property, who has access to inputs, and who gets remuneration for work.

How does this analysis play out in terms of policymaking?

In terms of policymaking, of course, our ultimate goal is to come up with equitable macroeconomic policies, including gender-sensitive policies. So the most obvious example is the example of fiscal policy. One of the things that we argue, and that lots of other people have of course argued for some time, is that fiscal policies have political and social content. Fiscal policy is fundamentally a policy of distribution: how do you allocate public expenditures and from whom you collect taxes. We promote pro-poor fiscal policy as well as gender-sensitive budgets or gender-equitable budgets — there are many terms for this.

How do you determine if a budget is gender-equitable?

In these kinds of exercises, economists analyse the budgets of a country to understand how public resources are being used from the perspective of men and women, paying particular attention to poor people. This is not simply about special resources that are allocated to women, but the whole budget and how gender equitable it is. Let's say a government is putting together an infrastructure program for public works to create employment. Now, obviously once it is built, infrastructure would benefit both men and women. But there's another question: for whom does this create employment? In many countries, construction workers are men. So the government may meet the objective to create employment, but not in a gender-equitable way.

Or a government may say: parts of the country don't have access to clean water. And it happens to be mostly girls and women who do the work of collecting water. Obviously, it is important to provide clean water to people. There is another side to this: you are also helping to reduce the very long hours of work women and girls do, in the form of unpaid work.

There are many interactions between these kinds of items. For example, a government may start opening schools and trying to encourage girl's education. There are many reasons why girls may not be sent to school, in some cases it may not happen because girls are sent to fetch water and collect wood — and this takes up a lot of their time. But if you don't have a gender awareness — knowledge of the different kinds of work girls and boys and women and men do — then you are going to do things, even things like opening schools and then say: why are people are not sending the girls to school?

So the intended outcome of a policy might not come into play because of the fact that gender isn't taken into account?

Exactly. Because the outcomes of macroeconomic policy, whatever policy you are adapting, are always mediated by social relations, including gender relations.

What was the significance of the [Beijing Declaration and Platform for Action](#) in terms of promoting gender-sensitive budgets?

It was very significant. The progress towards gender-sensitive budgets is slow, inevitably. The budget process is different in every country. Budgets are not very easy to analyse; there is no formula that can be applied across the board. It takes a lot of advocacy as well. When a politician introduces a gender-sensitive budget, this comes as a result of a lot of people doing advocacy. People take the Beijing Platform of Action and use it to say: look, this is something all governments agreed to. They use it as a tool to make governments accountable, to get attention, and so forth.

You're the coordinator of an international network of economists that promotes gender-equitable approaches to macroeconomics. How do you feel a network helps to foster researchers who can do gender analysis?

A network is absolutely indispensable because of this dominance of mainstream thinking in economics, and particularly macroeconomics, which ignores gender. It becomes a very lonely struggle if you're the only person in your environment or in your institution who has this [gender] perspective. But if you have an international network of people you don't feel as isolated.

But the network is also very important for learning. The members of the network come from many different countries, so it's a tremendous learning opportunity. Each country's context is very

important — obviously a particular policy may not play out the same way in Canada as it does in Kenya. And the members have different backgrounds: some of them are in policymaking institutions, others work in research institutions, or are academics. If you are an academic, you really need to be working with people who have done policymaking. And if you're a policymaker, you really need to work with people who are doing more of the technical research and so on, so that technical research can become more relevant in terms of practical policymaking. You need to have this kind of interaction all the time.

What is your vision for the future?

We are hoping to increase the number of economists in academic and research institutions, and in governments who have the capacity to influence policymaking. We are working towards the gender mainstreaming of macroeconomic and international economic policies.

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